



Natural Resources Conservation Service
Programs Staff
655 Parfet Street, Room E200C
Lakewood, Colorado 80215

VIA ELECTRONIC MAIL

COLORADO BULLETIN NO.: CO-300-06-06

March 31, 2006

SUBJECT: LTP – Farm and Ranch Lands Protection Program (FRPP)

TO: All Area Conservationists and District Conservationists

PURPOSE: To alert you about the FY 2006 FRPP Announcement of Program Funding and and potential requests for technical assistance

EXPIRATION DATE: September 30, 2006

The 2006 Announcement of Program Funding for the Farm and Ranch Lands Protection Program (FRPP) was posted on www.grants.gov and on our national web page this past week.

Unlike other Farm Bill programs, we do not work directly with landowners through the FRPP. *Landowners are not eligible applicants.* Instead, we work with certain “eligible entities”—public and private organizations that have farmland protection programs. Financial assistance is provided *through* them to landowners for the purpose of acquiring permanent conservation easements on agricultural lands.

Eligible entities have until **Thursday May 11, 2006** to submit proposals to us. Some of the information they need to develop their proposals may need to come from NRCS Field Offices. It’s important that any requests for service are addressed promptly, so that entities can develop and submit their proposals by the deadline. We have advised potential applicants to request information from you as soon as possible. However, some projects (or, more likely, landowners) may not be ready to proceed until later in the application period. If that should happen and you receive an “urgent” request for assistance, please do your best to accommodate the applicant.

In particular, you may be asked to provide a custom soils report for the offered parcel(s). The report must include a legible soils map and a list of all soil mapping units. A summary must be included that depicts the acreage and percent composition of soil mapping units characterized as: (1) Prime, If Irrigated –and irrigated with an adequate supply of water; (2) Prime, If Irrigated (but not irrigated); and (3) All other irrigated land (a category of Farmland of Statewide Importance). If you don’t have up-to-date information on the extent of irrigation, the applicant or landowner should be able to assist you. In some cases, it may be well worth your time to help a client use the Web Soil Survey site, so they can make their own reports in the future.

Your soils report will allow us to evaluate the soils according to the “2006 Colorado FRPP Scoring System,” item LE-A). (Note: If “Locally Important Farmlands” have been officially identified, provide that information in your soils report, as well.)

Applicants will need to provide documentation of current or historic conservation planning and application performed on the offered parcel(s). This information will contribute to the scoring in item "SA-1 A) Land Condition" in the attached *2006 Colorado FRPP Scoring System*.

Proposals with parcels covered by an existing NRCS conservation plan will earn more points. If applicable, describe the conservation treatment that has been applied—on official NRCS letterhead. As usual, ensure the landowner has authorized release of this information through the applicant; or simply release the information directly to the landowner for distribution to the applicant.

Applicants may ask you for additional information related to the *Scoring System* in order to make their proposals as complete and competitive as possible. Please, support their conservation efforts by providing them with as much information and technical support as you can. Our initial FRPP allowance for 2006 is about \$2.25M. This is a significant federal investment in Colorado's working landscapes. The information you provide applicants will help ensure we invest these funds wisely.

After awards are announced (in May), we will notify you so that work may begin on conservation planning, if an adequate plan does not already exist. FRPP requires that an adequate conservation plan be developed *before closing*. The national requirement is compliance with HEL/WC provisions. In Colorado, we also require, *at a minimum*, a progressive plan that: (1) covers the entire offered acreage; and (2) meets the Quality Criteria for Soils and Water on cropland and Soil and Plants on grazing lands

Applicants will work with landowners to ensure forms AD-1026 and CCC-526 have been filed with FSA. We require evidence that these have been submitted to FSA in the proposals.

Attachments to this bulletin include:

1. The general Colorado announcement for FY 2006, sent to the Colorado land trust community;
2. The 2006 Colorado FRPP Application Checklist; and
3. The 2006 Colorado FRPP Scoring System.

If you have any questions, please contact Gary Finstad, Easements Coordinator at (720)544-2820.

Encourage applicants with questions to contact Gary, as well.



EDWARD M. BIGGERS, JR.
Acting State Conservationist

Attachments

cc: Gary Finstad, Easements Coordinator, NRCS, Lakewood, CO
Steve Park, SSS, NRCS, Lakewood, CO
Tom Weber, SS, NRCS, Lakewood, CO
Jeff Burwell, SRC, NRCS, Lakewood, CO

All ARCPs

DIST: A, D

Farm and Ranch Lands Protection Program
Colorado Proposal Checklist
2006 Funding Cycle

Please, develop your proposal in accordance with the following guidance and format. You may insert information directly into this document, as appropriate, or provide your responses in a separate attachment. Provide all required information, sign the statement at the end, attach this “checklist” to your proposal, and submit it to:

Gary Finstad, FRPP Coordinator
USDA Natural Resources Conservation Service
655 Parfet Street, Room E200C
Lakewood, CO 80215-5517

Your proposal must be received by 4:00 P.M. MT Thursday May 11, 2006.

If you are submitting proposals for more than one property/parcel, you need to complete Part A only once. Separate responses will be required for Parts B and C for each unique property/parcel. Refer to the *2006 Colorado FRPP Scoring System* as you work through this guide. Our scoring will rely on the information in your proposal. Your score will be commensurate with the quality of information you provide us.

For more information or assistance in completing your proposal, please contact:

Gary Finstad: (720)544-2820 or gary.finstad@co.usda.gov

A. PROGRAM (APPLICANT) ELIGIBILITY

1. Is the applicant:

An agency of state or local government or a federally recognized Indian tribe? ☐ Yes
☐ No

A qualifying nongovernmental organization? ☐ Yes ☐ No

To be “qualifying,” the organization must be:

- organized principally for one or more of the conservation purposes specified in clause (i), (ii), (iii), or (iv) of section 170(h)(4)(A) of the Internal Revenue Code of 1986;
- an organization described in section 501(c)(3) of that Code that is exempt from taxation under section 501(a) of that Code;
- described in section 509(a)(2) of that Code; or
- described in section 509(a)(3) and controlled by an organization described in section 509(a)(2) of that Code.

➤ *Note: If one of the “Yes” boxes” is not checked, you are not an eligible applicant for this program.*

2. Does the applicant entity:

- a. Have an established farmland protection program? ☐ Yes ☐ No
(Provide a brief description of your program.)
- b. Have a demonstrated commitment to the long-term conservation of agricultural lands?
☐ Yes ☐ No (Describe your accomplishments.)
- c. Utilize voluntary easement purchase or other legal device(s) to protect farmland?
☐ Yes ☐ No (Describe your program's use of these.)
- d. Have the capability to acquire, hold, manage, and enforce conservation easements or their equivalent? ☐ Yes ☐ No (Describe your organization's ability to perform these functions, including number and ability of staff.)
- e. Have title and appraisal policies or standards? ☐ Yes ☐ No (Describe your organization's policies regarding use and review of title information and appraisals. Provide a copy of your official policy, if available. For example, do you routinely secure title insurance? Do you perform administrative and technical reviews of appraisals?)
- f. Have staff capacity or formal agreement with other entities dedicated to monitoring and easement stewardship? ☐ Yes ☐ No (Describe the number of paid—and volunteer—staff available to perform these functions. Distinguish among full-time and part-time staff. Count only persons available to perform monitoring and stewardship activities. Provide an estimate of FTEs (full-time equivalents) available. Fyi, consider 2080 staff hours as one FTE.)
- g. Have a pending offer? ☐ Yes ☐ No (Provide proof of the pending offer. At minimum, the documentation must demonstrate intent and the presence of a willing seller and willing buyer. A pending offer" is a written bid, contract, or option extended to a landowner by an eligible entity to acquire a conservation easement for the purpose of limiting nonagricultural uses of the land. Pending offers must be for acquiring easements in perpetuity.)
- h. Have sufficient funds available for easement acquisition? ☐ Yes ☐ No
(Summarize the amount and source of funds available for the easement transaction. Funds must be either "in hand" or "committed," as evidenced by an official award letter from a funding entity. Provide a copy of the award letter. Refer to the table below for guidance on "cash requirements.")

➤ *Note: If any "No" box in Section 2 is checked, you are not an eligible applicant for this program.*

FRPP Cash Requirements

FRPP funds may be used to pay for no more than one-half of the appraised fair market value (AFMV) of the conservation easement. Landowner donations—up to 25% of the AFMV of the easement—may be applied to the non-federal match requirement. Where the purchase price is 50% or less of the AFMV, FRPP funds are limited to one-half of the purchase cost. FRPP funds may not be used for any administrative expenses or transaction costs related to acquisition of the easement. The cash requirements will vary with the amount of the landowner donation, as follows:

Landowner Donation as % of <u>AFMV</u>	Purchase Price as % of <u>AFMV</u>	Entity's <i>Minimum</i> Cash <u>Contribution</u>	FRPP <i>Maximum</i> Cash <u>Contribution</u>
0%	100%	50%	50%
10%	90%	40%	50%
25%	75%	25%	50%
40%	60%	25%	35%
50%	50%	25%	25%
70%	30%	15%	15%
90%	10%	5%	5%
100%	0%	0%	0%

3. Additional applicant information (required for scoring):

- What is the estimated dollar value of conservation easements in your unfunded backlog (i.e., pending projects waiting funding)? \$_____
- How many acres does your unfunded backlog represent? _____ acres
- How many years has your organization been acquiring, managing, and holding conservation easements **in Colorado**? _____ years
- What is your organization's average annual farmland protection easement expenditure?
Use the average annual value for the last three years; exclude FRPP funds and transaction costs. \$_____
- What is the value of farmland protection easement donations received by your organization?
Use the average annual value for the last three years; include the value of landowner bargain sale donations, as well as cash received from awards or donations. \$_____

B. LAND ELIGIBILITY

- Is the land privately owned and used for farming or ranching? ☐ Yes ☐ No
- Does the land satisfy at least one of the following (**a.** or **b.**)? ☐ Yes ☐ No

➤ *Note: If the "Yes Box" is not checked, the land is not eligible for this program.*

- (1) Farmland:** At least 50% of offered parcel must be composed of soils designated by the NRCS as Prime, Unique, or Important--Statewide or locally.
- (2) Ranchland:** At least 20% of offered parcel must be composed of soils designated as Prime, Unique, or Important Farmland by the NRCS. *(The State Conservationist reserves the right to exclude from consideration, or reduce awards made for, projects with low amounts of Important Farmland soils.)*

➤ *Obtain an official soils report from the local NRCS office. To locate the nearest office, go to: <http://www.co.nrcs.usda.gov/about/areamap.htm> or contact Gary Finstad. The soils report must include: (1) a soils map; (2) a list all soil mapping units and their proportions, in acres and*

percent, on the offered parcel(s); (3) a summary depicting, by acres and percent, the Important Farmlands status of the mapping units, specifically:

- (a) “Prime, If Irrigated” (and currently irrigated with an adequate supply of water)
- (b) “Prime, If Irrigated” (but NOT currently irrigated)
- (c) Any land that is irrigated, but not considered “Prime, If Irrigated.” (This is a category of Farmland of Statewide Importance.)

OR

- b.** The farm or ranch land contains **historical or archeological resources** that have been: (1) Listed in the National Register of Historic Places, **or** (2) Formally determined to be eligible for listing in the National Register of Historic Places, **or** (3) Listed in the State or Tribal Register of Historic Places.

➤ *Provide appropriate documentation, if applicable.*

3. Is the offered parcel part of a systematically protected area? ☐ Yes ☐ No

(Please, describe the situation and provide a map to support explanation.)

4. Is the offered parcel in an area that has access to agricultural markets for its products, infrastructure appropriate for supporting agricultural production and other support services? Bottom line: Does this parcel have long-term viability for agricultural use? ☐ Yes ☐ No

Please, describe. (Note: The State Conservationist reserves the right to determine a proposal ineligible for FRPP, if long-term agricultural viability is questionable or if circumstances appear to place an FRPP investment at risk.)

5. Does the offered parcel face development pressure? ☐ Yes ☐ No

(Provide a narrative explanation of the development pressure, as well as an aerial photo or vicinity map—with North arrow and scale—that depicts development and “development pressures” within at least five (10) miles of the parcel’s boundaries. Identify urban infrastructure (water/sewer extensions), municipal boundaries, urban growth boundaries, rural subdivisions, 35-acre subdivisions, non-ag zoning, etc. Refer to criterion SA-2 A) in the Colorado FRPP Scoring System for additional information.)

6. Is the land already subject to an easement or other deed restriction that prevents its conversion to nonagricultural uses? ☐ Yes ☐ No

7. Is the landowner’s average annual adjusted gross income (AGI), for the three tax years immediately preceding the year the easement is expected to be conveyed, equal to or less than \$2.5 million? --OR-- If more than \$2.5 million, will at least 75 percent be derived from farming, ranching, or forestry operations? ☐ Yes ☐ No

(Landowners self-certify to this on form “CCC-526, Average Adjusted Gross Income Certification” at the USDA Farm Service Agency office. Submit a copy of the current CCC-526 with the proposal.)

8. Is the landowner in compliance with the highly erodible land and wetland conservation provisions of the Farm Security and Rural Investment Act of 2002? Landowners self-certify to this on form “AD-1026, Highly Erodible Land and Wetland Conservation Certification” at the USDA Farm Service Agency office. ☐ Yes ☐ No *(Obtain a FSA office and submit it with the proposal.)*

Note: Compliance with the highly erodible land and wetland conservation provisions is required—on all land the person has an interest in, anywhere in the United States—in

order to be eligible to receive USDA payments (including FRPP). If a person is determined to be out of compliance—on any land—all USDA payments are in jeopardy for that crop year and all subsequent crop years the person remains out of compliance.

➤ *Note: Land is eligible for the program if boxes 1-5, 7, and 8 are checked “Yes” and box 6 is checked “No.”*

C. PARCEL INFORMATION

Provide us with:

1. Name(s) and address(es) of landowner(s)
2. Local parcel or tax identification number
3. Size (in acres) of the offered parcel
4. Legal description of the parcel (section, township, range)
5. Local zoning for this property (if applicable)
6. Project Funding Summary:
 - a. Estimated market value of the conservation easement (*Provide a copy of the basis for this estimate—preliminary appraisal, summary appraisal, etc. Note: It should be based on evaluation of the entire property, even if only part will be placed under the easement.*)
 - b. Agreed upon purchase price
 - c. Matching funds in-hand or committed and source
 - e. The amount of FRPP funds you are requesting
7. A copy of a recent aerial photo (preferable) or a map (e.g., 7.5' USGS topo) that depicts the location of the offered parcel in relation to other protected agricultural land. Identify lands protected by conservation easement or fee simple acquisition. Identify other public lands used for agricultural uses, in addition to protected agricultural lands, as these may influence your score. (*Note: Include a map scale and North arrow on your map.*)
8. Water availability. What percent of the offered parcel is irrigated and used for cropland or hayland? [_____%] If irrigated, is the water from a well or from surface sources? If the source is surface water, what percentage of the water is owned vs. leased? What percent of the offered parcel is used as grazing lands? [_____%] Is there adequate water for livestock in all pastures during the season of use? (*Refer to Colorado FRPP Scoring System Criterion SA-1 B) for more information.*)
9. Local, complementary policies and programs. List and describe local policies and programs per Colorado FRPP Scoring System Criterion SA-2 C).
10. Environmental amenities. Describe the environmental setting and ecological features and processes that the parcel supports. Use the information in Colorado FRPP Scoring System Criterion SA-3 A) as guidance.
11. Appraisal. If there is a signed appraisal, less than one year old by May 11, 2006 and

conforming to the new requirements of the FRPP, it may qualify for bonus points. If you have one, please, submit enough summary information to us for our evaluation.

D. OTHER INFORMATION

Provide us with:

1. A copy of the draft conservation easement you intend to use with this landowner (*Please, Highlight any potential issues related to subdivision, reserved building rights, and any subsurface rights not held by the owner*)
2. Criteria you use in establishing acquisition priorities. (If this parcel was scored according to your own system, please provide a copy of the score sheet.)

I certify that, to the best of my knowledge and belief, the information in this application for federal assistance and in the supporting materials is true, correct, and complete. I further understand that if any information is missing or if the format, prescribed herein, has not been observed, this proposal may be discounted or declared ineligible for consideration.

Name: _____ Title: _____

Organization:

Signature: _____ Date: _____

VIA ELECTRONIC MAIL

Subject: Announcement of Program Funding - 2006 Farm and Ranch Lands Protection Program

To Our Conservation Partners:

The 2006 Announcement of Program Funding for the Farm and Ranch Lands Protection Program (FRPP) was posted on www.grants.gov March 27, 2006. As explained in an e-mail sent to you on March 29, there was a glitch in getting the full announcement posted to that site. The full announcement is available on our national web site. You may view or download it, by going to:

http://www.nrcs.usda.gov/programs/frpp/pdf_files/FRPP_RFP06_05-11-06.pdf

The FRPP is a voluntary program designed to protect certain high value farm and ranch lands through the use of permanent conservation easements. Applicants and projects must demonstrate eligibility for participation in this program. Please, refer to the attached "2006 Colorado FRPP Application Checklist" for details.

Send proposals to: Gary Finstad, FRPP Coordinator
USDA Natural Resources Conservation Service
655 Parfet Street, Room E200C
Lakewood, CO 80215-5517

Proposals must be received by 4:00 P.M. Thursday May 11, 2006. Postmarks will not be honored.

Please, submit one original and three copies of your proposal.

As previously communicated, the announcement of funding was intended to be preceded by the publishing of an amendment to the FRPP Interim Final Rule. Several issues will be addressed in that amendment in order to clarify matters related to the USA's interests in FRPP-funded easements, in addition to bringing the agency into conformance with existing law and regulation. We expect the amendment to be published in the *Federal Register* in the very near future.

Please, ignore the formatting/content requirements specified in the Announcement of Program Funding. Follow the guidance in the "2006 Colorado FRPP Application Checklist." Note that the "2006 Colorado FRPP Scoring System" is an Excel workbook, containing four different worksheets. Two are component parts of the scoring system: Part A - Program Information; and Part B - Parcel Information. The other two are scorecards—one will perform calculations automatically.

Please, submit a sample of the easement deed you propose to use with your proposal. It will help if you incorporate the requirements outlined in Part VI. of the attached "2006 FRPP Cooperative Agreement Template." (The 2006 version is not yet available.)

The "2006 Colorado FRPP Application Checklist" highlights elements that must be addressed in your proposal. Please, develop your proposal according to the format in the "Checklist." *Scores will mirror the degree to which proposals succinctly convey the required information.* Proposals that provide all required information by the May 11 deadline will be accorded a higher priority for funding, even if they are eventually outscored by projects for which missing information is provided after the deadline.

As a condition of receipt of FRPP funds, landowners must certify that they are in compliance with the highly erodible land (HEL) and wetland conservation provisions of the Food Security Act of 1985. This is accomplished by securing a copy of a processed Form "AD-1026, Highly Erodible Land Conservation

and Wetland Conservation Certification" from the local USDA Farm Service Agency office. The certification applies to all agricultural lands owned or operated by the landowner, anywhere—not just the land proposed for FRPP funding.

Farm Bill program participants are also subject to a limitation on non-farm adjusted gross income (AGI). Average AGI cannot exceed \$2.5M for the three tax years immediately proceeding the year in which the conservation easement is conveyed and where less than 75 percent of the average AGI is derived from farming, ranching, or forestry operations. Form "CCC-526, Payment Eligibility Average Adjusted Gross Income Certification" must be submitted to the local Farm Service Agency office. Provide us with copies of both of these forms in your application (copies that have been "processed" or "received" by the FSA office).

Awards will be announced on or about June 12, 2006. Awards will be based on a ranking of the applications by score—with exceptions made for (1) those that did not meet the deadline for submission of all required information and (2) projects that are judged not to be in the best interests of the program. There is no limit to the number of projects an applicant may submit for consideration. FRPP funds must be obligated through a cooperative agreement as soon as possible after notification of the award. Very little in the cooperative agreement template will be subject to negotiation. We'll forward the new 2006 agreement template as soon as it's available.

We are considering hosting a teleconference or two to afford you the opportunity to discuss some of the changes to the program. Gary Finstad will coordinate with you on that. In the meantime, please contact Gary if you have any questions: (720)544-2820 / "gary.finstad@co.usda.gov."

The attachments will be available soon on our Colorado home page: www.co.nrcs.usda.gov.

We look forward to working with you.



EDWARD BIGGERS, JR.
Acting State Conservationist

Enclosures

cc: Gary Finstad, Easements Coordinator, NRCS, Colorado
Area Conservationists, NRCS, Colorado
District Conservationists, NRCS, Colorado
Area Resource Conservationists (Programs), NRCS, Colorado
RC&D Coordinators, NRCS, Colorado
Cindy Lair, Director, Colorado State Conservation Board
Callie Hendrickson, Executive Vice President, Colorado Association of Conservation Districts
Kris Larson, Executive Director, Colorado Coalition of Land Trusts